



## FINAL MINUTES

### LAFCO REGULAR MEETING

Wednesday, February 14, 2007, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration  
10 Civic Center Plaza  
Santa Ana, CA

*(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)*

#### 1. CALL TO ORDER

Vice Chair **John Withers** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:10 a.m.

#### 2. PLEDGE OF ALLEGIANCE

Commissioner **Arlene Schafer** led the pledge of allegiance.

#### 3. OATH OF OFFICE

Supervisor **Pat Bates** was not able to attend the meeting.

#### 4. ROLL CALL

The following commissioners and alternates were present:

- Commissioner **Robert Bouer**
- Commissioner **Peter Herzog**
- Commissioner **John Moorlach**
- Commissioner **Arlene Schafer**
- Commissioner **Susan Wilson**
- Commissioner **John Withers**
- Alternate Commissioner **Patsy Marshall**
- Alternate Commissioner **Rhonda McCune**
- Alternate Commissioner **Charley Wilson**

The following LAFCO staff members were present:

- Legal Counsel Clark Alsop
- Executive Officer Joyce Crosthwaite
- Assistant Executive Officer Bob Aldrich
- Senior Project Manager Carolyn Emery
- Office Manager/Commission Clerk Amy de la Roza
- Intern Christian Page

## **5. APPROVAL OF MINUTES**

### **a). January 26, 2007 – Strategic Planning Commission Meeting Minutes**

Staff recommended two changes to the minutes.

**MOTION:** Approve minutes from January 26, 2007, with the two staff recommended changes. (Arlene Schafer)  
**SECOND:** Susan Wilson  
**FOR:** Robert Bouer, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, John Withers.  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

## **6. PUBLIC COMMENT**

**Vice Chair Withers** requested public comments on any non-agenda item. Receiving no comments, he then closed the public comment agenda item.

## **7. CONSENT CALENDAR**

- a) Arnold Annexation to the Orange County Sanitation District (DA 06-37)**
- b) Walker Annexation to the Orange County Sanitation District (DA-06-35)**

**MOTION:** Approve Consent Calendar (Peter Herzog)  
**SECOND:** John Moorlach  
**FOR:** Robert Bouer, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, John Withers.  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

## **9. COMMISSION DISCUSSION AND ACTION**

### **9d. Orange County Leadership Symposium (OCLS) Update**

**Vice Chair Withers** indicated that item 9d. would be taken out of order.

Executive Officer Joyce Crosthwaite indicated the Commission had directed staff to return with a report on OCLS. Due to a variety of issues, the spring meeting was cancelled. However, a fall meeting may be scheduled. Executive Officer Crosthwaite indicated funding and sponsors were critical. Executive Officer Crosthwaite introduced Kelli Harrington, Associate Dean of Extended Education for Chapman University. Ms. Harrington indicated that Chapman University was interested in being a part of OCLS and is currently researching the issue.

(**Chair Campbell** entered the meeting at 9:25 a.m.)

**Commissioner Herzog** asked if Ms. Harrington had contacted Janet Houston and Ms. Harrington indicated Ms. Houston was on her contact list. The Commission thanked Ms. Harrington for her interest in OCLS.

## **8. PUBLIC HEARING**

### **8a. Revised Fee Structure**

Assistant Executive Officer Bob Aldrich presented the staff report and noted that the Commission last adopted a fee schedule in 2005. He noted that the revised fee schedule would clarify existing fee schedule categories, eliminate an unnecessary sphere of influence fee category, allow for reimbursement of fees from applicants for Notice of Determination filings, and update the legal counsel hourly rate.

**Commissioner Moorlach** noted an error on the numbering on the attachment. He asked if the sphere of influence category was being eliminated. Staff indicated that the category was duplicative with another project category on the fee schedule and, for clarification purposes, was being eliminated.

**Commissioner Schafer** questioned if the draft resolution included the proposed changes to the fee schedule. Staff responded that proposed changes were reflected on the last page of the resolution.

**Commissioner Herzog** stated that the fee increases from Fish and Game for filing Notices of Determination were significant and asked if the fees were based on actual costs. Staff indicated that the fee increases range from \$800-\$2500 and Fish and Game also eliminated the de minimis exemption. Staff is working with CALAFCO and the Department of Fish and Game to exempt applicable LAFCO projects from these filing fees.

**Chair Campbell** opened the public hearing. Receiving no comments, he closed the public hearing.

**MOTION:** Approve staff recommendation to adopt the resolution approving the revised LAFCO fee schedule (Peter Herzog)  
**SECOND:** Arlene Schafer  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, John Withers.  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**9. COMMISSION DISCUSSION AND ACTION**

- a.) Budget Update
- b.) Cities of Costa Mesa/Newport Beach Annexation Update
- c.) Rancho Mission Viejo Governance Study Update
- d.) 2007 LAFCO April Meeting and CALAFCO Workshop

**9a. Six Month Budget Update**

Assistant Executive Officer, Bob Aldrich, presented the budget report for the first six months (July through December, 2006). He indicated that overall agency expenses are at 44.6 percent of the budget and the targeted level is approximately 50 percent. Mr. Aldrich noted that the Commission will be receiving the draft audit for FY 2005-2006 and the proposed LAFCO budget for FY 2007-2008 at the March 14, 2007 meeting.

**MOTION:** Approve staff recommendation to receive and file the quarterly budget update. (Robert Bouer)  
**SECOND:** Arlene Schafer  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, John Withers.  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**9b. Cities of Costa Mesa/Newport Beach Annexation Update**

Executive Officer Joyce Crosthwaite indicated competing annexation and sphere of influence applications filed by the Cities of Costa Mesa and Newport Beach were continued from the Commission's November 8, 2006 LAFCO meeting for a period of six months. She also noted that the Commission directed both cities to provide a 3-month interim update to the Commission on the progress of negotiations between the two agencies. She noted that representatives from both cities were present.

**Commissioner Moorlach** indicated that he is working with both cities to assist in crafting a comprehensive solution to the long-standing boundary issues between the two cities.

**Commissioner Susan Wilson** asked who had been involved in the discussions and Commissioner Moorlach indicated he and his office staff had been working with staff from both cities.

Mr. Allan Roeder, City Manager of Costa Mesa, indicated progress was being made and that the communication between cities has been productive.

Mr. Dave Kiff, Assistant City Manager of Newport Beach, indicated the meetings with both staff and council had been productive and there were areas of agreement. He thanked **Commissioner Moorlach** for his assistance. Mr. Kiff also mentioned Newport Beach had concerns about some of the key projects in Santa Ana Heights receiving funding and wanted to continue to approach the concerns collaboratively with the County.

**Chair Campbell** asked if a date had been set to provide the Commission with a report.

Both Mr. Roeder and Mr. Kiff indicated a report was planned for the May LAFCO meeting.

**Commissioner Susan Wilson** indicated she was pleased to see everyone working together and looked forward to a successful resolution of the issues in May.

Mr. Roeder indicated the six-month extension granted by the Commission was appreciated by all parties and being used effectively to reach a mutually agreed upon solution.

**Chair Campbell** thanked **Commissioner Moorlach** for his leadership on this project.

**Commissioner Moorlach** stated the County also provides services to territory within this area that might be better served by the cities, specifically the upper Newport Bay area, Banning Ranch properties, and Talbert Park.

**9c. Rancho Mission Viejo Governance Study Update**

Executive Officer Joyce Crosthwaite indicated the Commission had directed staff to return with an update on the continued progress of the Rancho Mission Viejo Governance Study. Ms. Crosthwaite indicated progress is being made and referenced a letter from Dan Kelly, Senior Vice President for Rancho Mission Viejo, which was included in the Commissioner's packet. The next update is scheduled for June 2007.

**Commissioner Moorlach** asked if any Orange County regional parks were located in the area, and, if so, were they discussed in the study.

Executive Officer Crosthwaite replied there could potentially be some park areas developed within the area, but the transfer of the regional parks was not specifically discussed.

**Commissioner Moorlach** indicated he is currently taking a look at whether cities are better equipped than the County to provide services to regional parks.

**Commissioner Herzog** stated he appreciated the update and is interested to see how the governance study would interface with Homeowners Associations (HOAs). He noted that HOAs are becoming quasi-governmental entities. He added that the Commission should focus on the issue of transitioning the provision of municipal services from the County to cities. **Commissioner Herzog** noted that he is looking forward to the study and suggested using the Talega/San Clemente process as a model.

**Commissioner McCune** indicated she agreed with **Commissioner Herzog's** comments and asked if the Commission should respond with a letter expressing LAFCO's concerns. Executive Officer Crosthwaite stated she has been involved in ongoing discussions with the Ranch, but added she could send a letter if the Commission desired. Commissioner McCune stated that since LAFCO concerns had been expressed in the meetings, a letter would not be necessary.

**Commissioner Withers** recommended the Ranch personnel present their plan to the Commission in a workshop format.

Executive Officer Crosthwaite indicated she could schedule a workshop in the future.

**MOTION:** Approve the staff recommendation to receive and file the update on the Rancho Mission Viejo Governance Study.  
(John Moorlach)  
**SECOND:** Arlene Schafer  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, John Withers.  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**9e. 2007 LAFCO April Meeting and CALAFCO Workshop**

The Commission received a brief update from the Executive Officer on the 2007 CALAFCO staff workshop. She requested the Commission consider rescheduling of the April 11<sup>th</sup> regular LAFCO meeting to avoid a conflict with the start of the CALAFCO staff workshop.

Staff recommended changing the meeting to Wednesday, April 18th.

**MOTION:** Approve the staff recommendation to reschedule the April 11<sup>th</sup> LAFCO Meeting to April 18<sup>th</sup>, 2007 (John Moorlach)  
**SECOND:** Arlene Schafer

**FOR: Robert Bouer, Bill Campbell, Peter Herzog, John Moorlach, Arlene Schafer, Susan Wilson, John Withers.**  
**AGAINST: None**  
**ABSTAIN: None**  
**MOTION PASSED**

**10. COMMISSIONER COMMENTS**

**Chair Campbell** wished everyone a Happy Valentine's Day and called for comments.

**Commissioner Moorlach** stated he had met with Los Angeles County Supervisor Don Knabe on the potential exchange of property along the Orange and Los Angeles County boundary. Executive Officer Crosthwaite indicated Senior Project Manager Carolyn Emery is currently working on a Municipal Service Review (MSR) for this area and will be preparing a stand-alone boundary report addressing this issue. She added that once complete, the report could be shared with Los Angeles LAFCO for collaboration.

**Commissioner Moorlach** added his staff has also discussed with Mayor Gil Coerper of Huntington Beach the potential annexation of Bolsa Chica and Harriet Weider Park. **Commissioner Moorlach further indicated that he** is also continuing his conversations with the Rossmoor community.

**Commissioner McCune** stated she was pleased to hear about these discussions

**Commissioner Arlene Shafer** suggested Los Angeles LAFCO and Orange County LAFCO may benefit from a joint meeting.

**11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

There were no informational items or announcements.

**12. CLOSED SESSION**

There was no closed session.

**13. ADJOURNMENT**

Chair Campbell adjourned the meeting at 10:00 a.m.

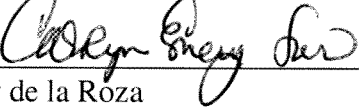
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**BILL CAMPBELL**

Chair

Orange County Local Agency Formation Commission

By:  \_\_\_\_\_

Amy de la Roza

Commission Clerk